

Common Questions About Annexation of Residential Areas

Enclosed are some answers to common questions we have received in the past about annexation of residential areas. The circumstances of each potential annexation may vary greatly, so these answers may or may not be applicable in each case. At the end of this memo is a list of contacts and phone numbers if you have any further questions.

What is the review process for annexations?

Once an annexation is proposed and the property owners are notified, the Planning Department then prepares a report and recommendation to the Planning Commission for their review and consideration. The staff report is available to the public one week before the hearing after 3:00 p.m. The Planning Commission then holds a public hearing. The Planning Commission is a nine-member, citizen board that will make a recommendation to the City Council on whether the annexation should be approved or denied.

The Planning Commission meets every other Wednesday at 1:00 p.m. in City Council-County Board Chamber on the first floor of the new City-County Building at 555 South 10th Street. The meeting is open to the public and anyone may testify before the Planning Commission or send a letter to the Commission in advance. The meeting will also be broadcast live on public access cable channel 5.

Once the Planning Commission makes its recommendation, an additional public hearing will be held by the City Council, approximately 19 days after the Planning Commission takes action.

What is the City's Annexation Policy?

The current Comprehensive Plan provides guidance on the issue of annexation. Applicable excerpts from pages F154 and F155 of the 2025 Comprehensive Plan are as follows:

ANNEXATION POLICY

Annexation policy is a potentially powerful means for achieving many of the goals embodied in the Plan's Vision. The annexation policies of the City of Lincoln include but are not limited to the following:

- The provision of municipal services shall coincide with the jurisdictional boundaries of the City – in short, it is not the intent of the City of Lincoln to extend utility services (most notably, but not necessarily limited to, water and sanitary sewer services) beyond the corporate limits of the City.
- The extension of water and sanitary sewer services shall be predicated upon annexation of the

area by the City.

- City annexation shall occur before any property is provided with water, sanitary sewer, or other potential City services.
- Land which is remote or otherwise removed from the limits of the City of Lincoln will not be annexed; land which is contiguous to the City and generally urban in character may be annexed; and land which is engulfed by the City should be annexed.
- Annexation generally implies the opportunity to access all City services. Voluntary annexation agreements may limit or otherwise outline the phasing, timing or installation of utility services (e.g., water, sanitary sewer), and may include specific or general plans for the private financing of improvements to the infrastructure supporting or contributing to the land uses in the annexed area.
- The character of existing residential areas should be respected as much as possible during the annexation process. However, any annexation of existing residential areas will include some costs which must be the responsibility of property owners.
- Annexation to facilitate the installation of improvements and/or possible assessment districts is appropriate if it is consistent with the annexation policies of the Plan listed above.
- Plans for the provision of services within the areas considered for annexation shall be carefully coordinated with the Capital Improvements Program of the City and the County.
- Each town in Lancaster County will have their own procedures for annexation.

The Comprehensive Plan is the City's guide for decisions regarding both development and annexation. The 2025 Lincoln/Lancaster County Comprehensive Plan contains both guidelines on annexation and a phasing plan for development. The city has adopted "Urban Growth Tiers," a figure of which is shown on page F27 of the 2025 Comprehensive Plan. The Comprehensive Plan includes three tiers of growth for the City of Lincoln. These tiers of growth display the future service limit, which delineates anticipated areas to be included in the city limits at some point in the future.

Tier I reflects the "Future Service Limit," where urban services and inclusion in the city limits are anticipated by 2025. The City has adopted Tier II as the area delineated for further urban growth, as infrastructure planning often requires a 50 year or more timeline of planning for water and sanitary sewer services. Tier III reflects adjacent future urban growth even further into the distance, both in time and geography.

How would this affect property taxes?

Typically the property tax levy is greater after annexation due to the addition of the City of Lincoln levy. Contact the County Assessor's Office at 441-7463 to determine how the levy rate may change.

If a property is not currently in the Lincoln Public School District (LPS), upon annexation it would transfer to LPS. Property owners would no longer pay the general levy of the school district that they are currently in, but would now pay the LPS general levy. However, according to state statutes, any property that was in a school district at the time of a bond election, must continue to pay on that district's bond until it is retired, even after property transfers to another district.

The City of Lincoln and Lincoln Public Schools have approved an agreement that provides that any area annexed by the City of Lincoln would not have to pay for LPS school bonds approved prior to annexation while it is still paying for the school bond of another school district. All property annexed will be subject to all future bonded indebtedness of LPS that are approved after the date of annexation. After annexation the property would not have to pay the property tax of a rural fire district.

Will homeowners be able to keep their septic systems or sewage lagoons?

According to City Ordinance "Sewage from any building or premises shall be discharged directly into the community sewerage system when the system is available and within 300 feet from the building or premises measured along a street, alley, or easement to the encasement of the sewer system." (Section 24.38.080 (a)) The system must be properly abandoned within six months per Section 24.38.080 (c). If the city sewer system is more than 300 feet away or is not available, the homeowner may retain the septic system.

Any property owner within an area could request the City create a sanitary sewer assessment district for the purpose of having a sanitary sewer line constructed. However, this assessment district would have to first be approved by the City Council after a public hearing. The City Council could then approve or deny the assessment district. If a district is approved, the city constructs the sewer line and abutting property owners pay the assessment over a twenty-year period.

Will homeowners be able to keep their wells?

Yes. Wells are allowed inside the city limits as long as the owner obtains an annual permit from the Lincoln/Lancaster County Health Department and the well meets city standards. Even if a city water main is available and adjacent to the property, the homeowner is not required to connect to the city water service. If a property owner chooses to hook up to city water, they could maintain their well for purposes of watering their lawn, etc.

Any property owner within the area could request the City create a water line assessment district for the purpose of having a water line constructed within the area. However, this assessment district would have to be first approved by the City Council after a public hearing.

The City Council could then approve or deny the assessment district. If a district is approved, the city constructs the water line and abutting property owners pay the assessment over a twenty-year period.

How would fire service be handled?

Currently, properties outside of the city limits are served by a rural fire district. After annexation, the city fire department would handle all emergency and fire calls to the area. Since the fire department has a quicker response time in most cases, often there can be a benefit to residents in emergencies and a savings to the property owner on home owners insurance.

In the past, the City Fire Department has found that there are three options for providing fire protection to low density residential areas, that currently don't have city water mains in place:

- Option 1 Continue to contract with a Rural Fire District to provide tanker water in the event of a fire. The Fire Department stated that this option provides a lesser level of service than city standards and does not provide a long term solution for this area if it is within the city limits.
- Option 2 The City could purchase a tanker truck to bring water to the site. This type of truck could cost \$60,000 to \$120,000. If it is needed in just one area, it could be housed out of a nearby station. However, the City currently does not have a facility capable of housing or staffing a water tanker. If annexation sites were spread throughout Lincoln, then multiple trucks might be needed.
- Option 3 Install water lines and fire hydrants by assessment district. This provides both water service and city standard fire protection to all residents. The Lincoln Fire Department typically recommends this option.

How could this affect streets in an area?

Once public streets are annexed, the City is responsible for minimum maintenance of the streets. Current City policy is that the City will not pay for graveling unpaved streets. For roads that are already graded and graveled, the City will spread the gravel and level the street if the homeowners pay for the gravel. The City is responsible for snow removal.

Annexation does not require that the streets be brought up to city standard paving with curb and gutter. The city has numerous miles of streets that have been inside the city limits for decades and remain unpaved. For streets that end in cul-de-sacs or are dead-end streets that receive little traffic, the city has not pursued requiring these streets to be paved.

What about sidewalks, street trees and street lights?

Areas that do not have street lights are not required to install them upon annexation. Ornamental street lights can be done by an assessment district process that requires a majority

of the affected owners to sign the requesting petition. The City Council then holds a public hearing on the proposed assessment district and would have to approve it before the ornamental lights could be constructed.

Annexation does not require the installation of sidewalks or street trees either. The City Council has the authority to order sidewalks constructed on any street. Current City policy is to focus sidewalk assessment districts in areas along school routes, arterial streets and areas of significant pedestrian traffic. Again, for streets that end in cul-de-sacs or dead ends, that receive little pedestrian traffic, the city has not pursued requiring sidewalk construction.

Upon what legal basis can the City annex property?

The City of Lincoln's ability to annex property comes from state authorization. The following is a general summary of annexation law in regards to the City of Lincoln:

- the City may at any time annex "contiguous or adjacent" lands,
- according to State statutes "land shall be deemed contiguous although a stream, embankment, strip or parcel of land, not more than 500 feet wide, lies between such land and the corporate limits,
- the Nebraska Supreme Court has voided "strip, corridor or flag" annexations in which the land is adjacent by only a narrow strip or neck of land,
- the City automatically annexes adjacent property upon subdivision if it is in the future urban area and must annex adjacent county roads during an annexation.

How would homeowners with 4 or more small animals be affected?

Fowl and small animals such as rabbits, and dogs and cats require a permit from the Health Department. All cats and dogs must be licensed and must have current rabies vaccinations. Please contact the Health Department for more information.

For Further Information on These Specific Topics Please Call:

Septic Systems and Wells

John Miner, Health Department, at 441-8024

Streets, Sidewalks, City Sewer and Water

Dennis Bartels, Public Works, at 441-7595

General Information on Annexation and Process

Brian Will, Planning, at 441-6362

Horses, Dogs, Cats and Other Animals

Jim Weverka, Health Department, at 441-7900

If you have any further questions, please do not hesitate to call.

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